



# *INDIANA*



THE STATE OF YOUR FUTURE

# ECONOMIC DEVELOPMENT IN INDIANA

## Sandbox Improvements

- 5 Years of Record Activity
  - AAA Bond Rating/Fiscal Stability
  - Right to Work (31)
  - Reduced Tax Burden
  - Input Costs (Logistics, Utilities, Rent and Labor)
  - Business Friendly

## Third Party References

- CEO Top Five States
- Tax Foundation Best in Midwest
- Pollina Top 5 Pro Business
- Site Selection Top 10

## Results

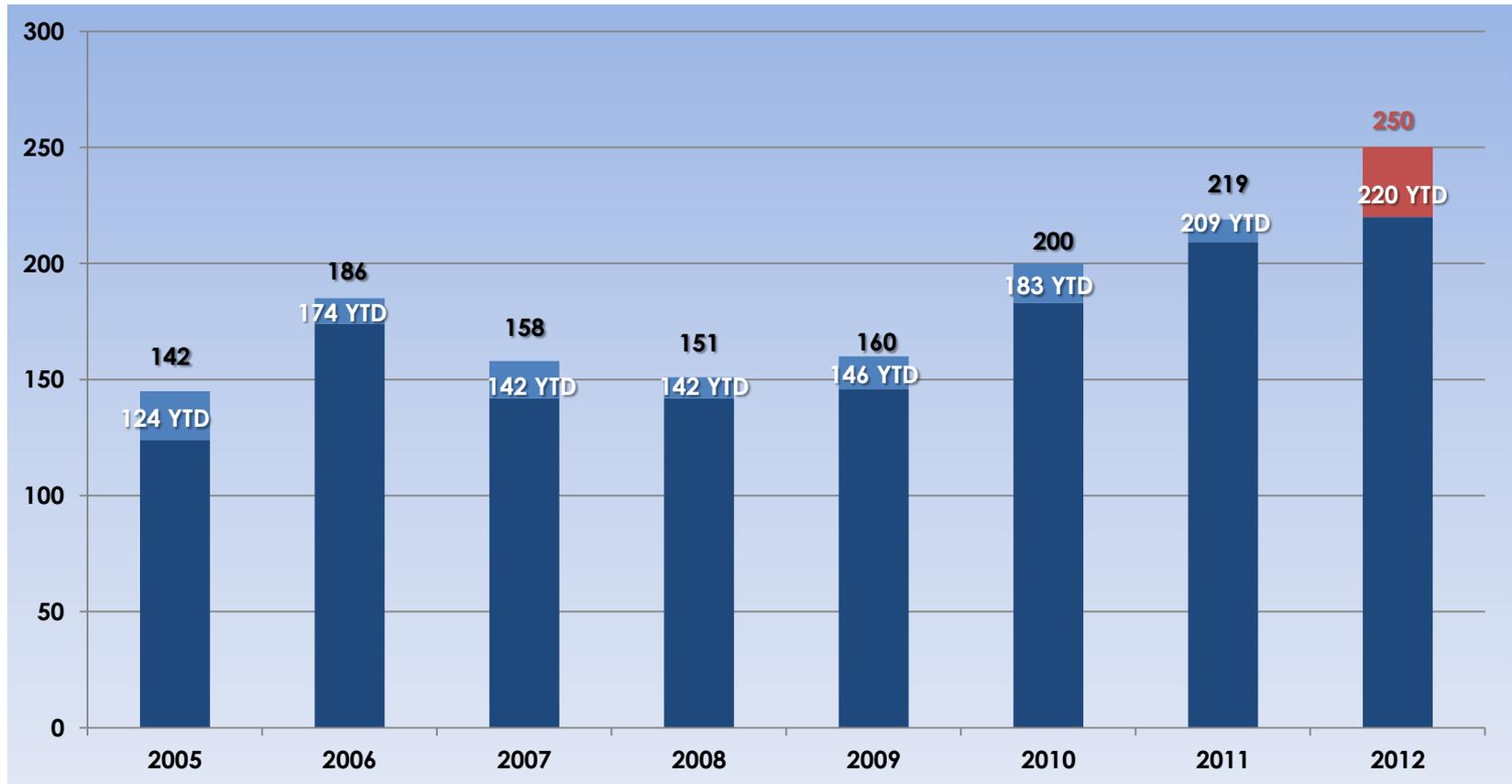
- INCREASED DEAL ACTIVITY 4 YEARS RUNNING
- TOP 3 JOBS GROWTH (*Newsweek & The Daily Beast 2011*)
- TOP INTERNATIONAL TRADE (*WISER Trade 2011, IBRC 2012*)

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# ...FUTURE OPPORTUNITIES

- **Workforce Skills/Health**
- **Entrepreneurism, Start Ups, Angel/Venture Capital**
- **Brand Awareness/Voice**

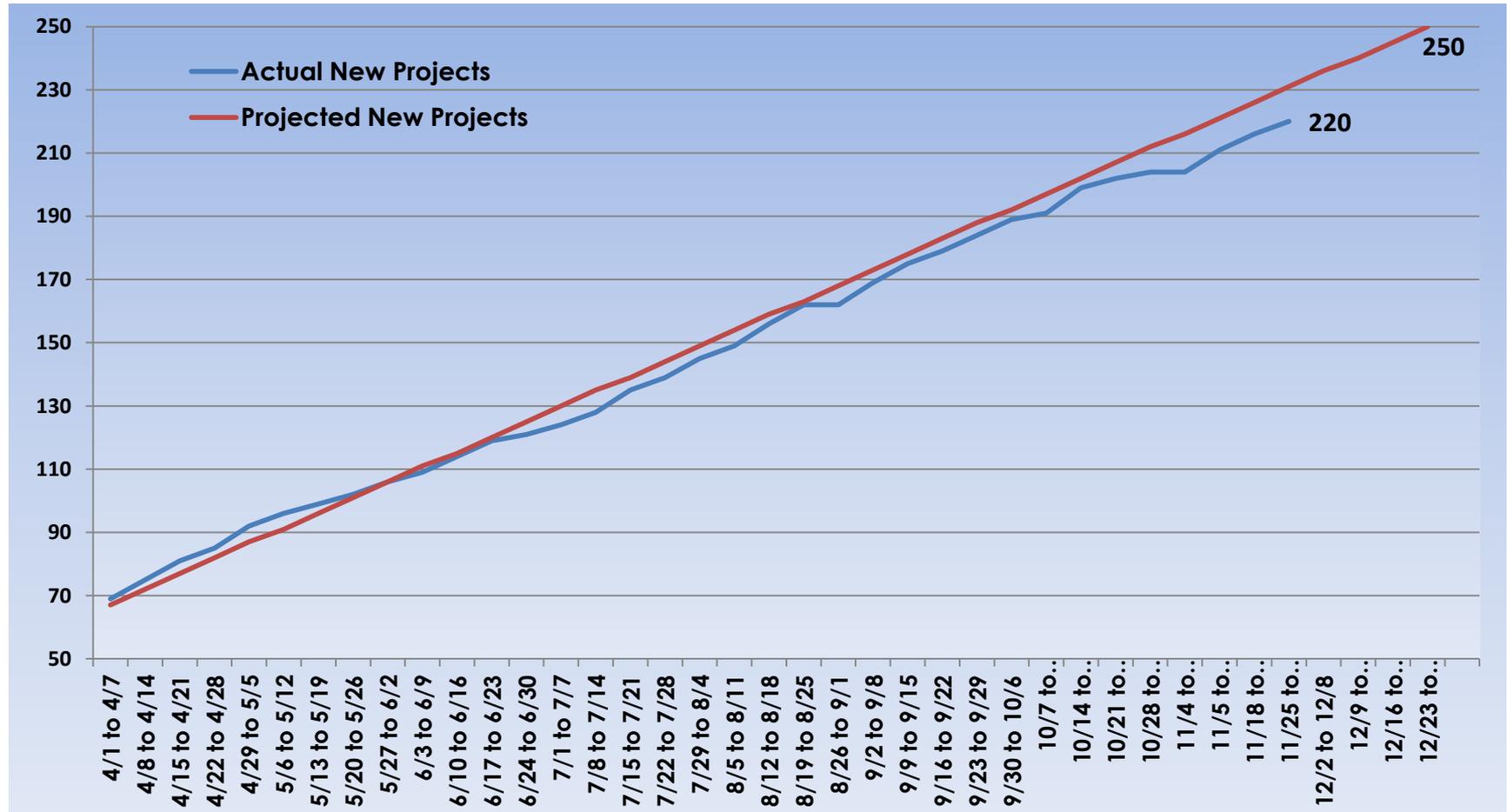
# TOTAL COMPETITIVE PROJECTS



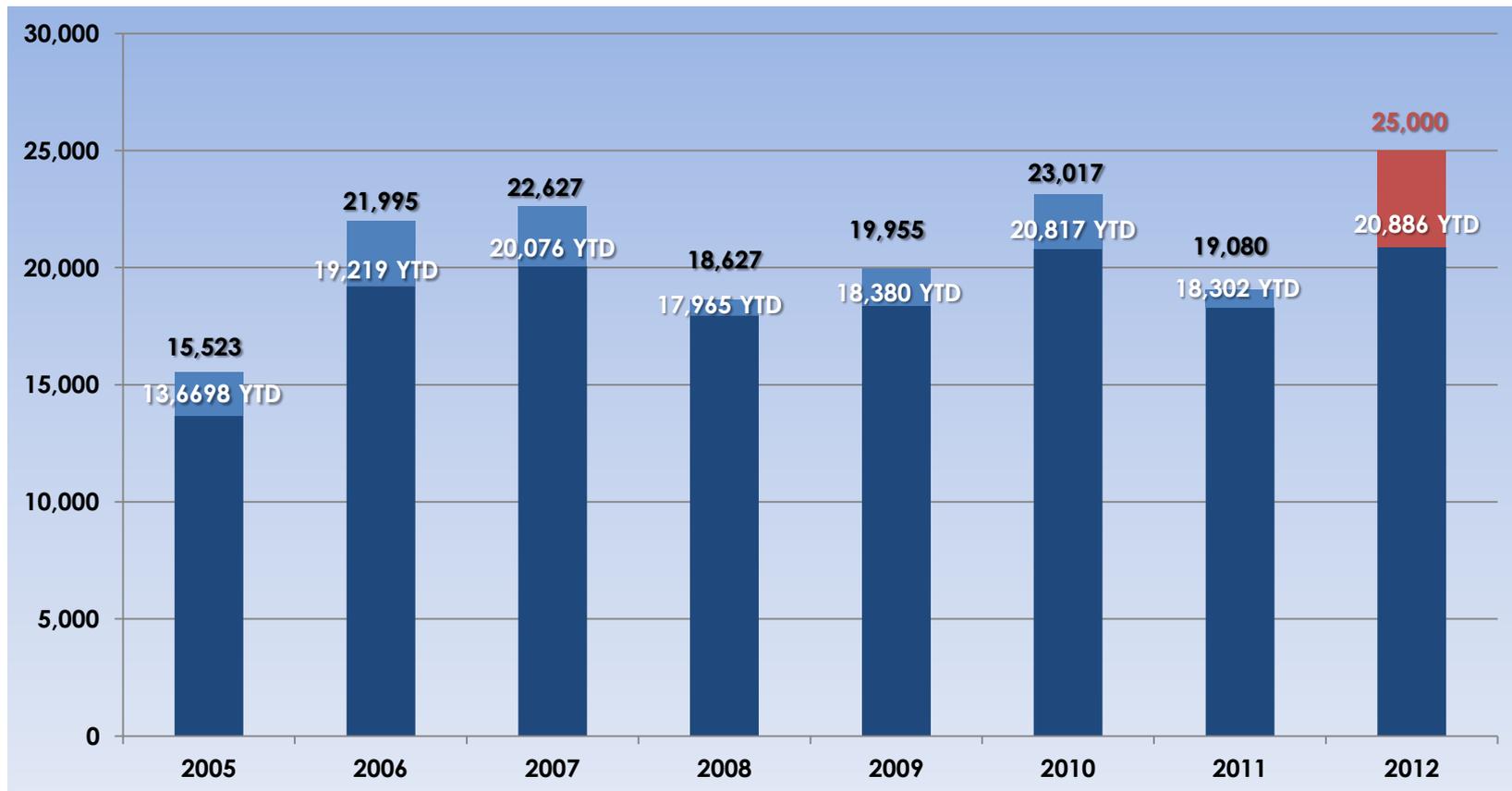
■ Goal  
■ YTD as of 11.27.12

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# 2012 RUN RATE BY WEEK



# PRIVATE SECTOR JOB PROJECTIONS



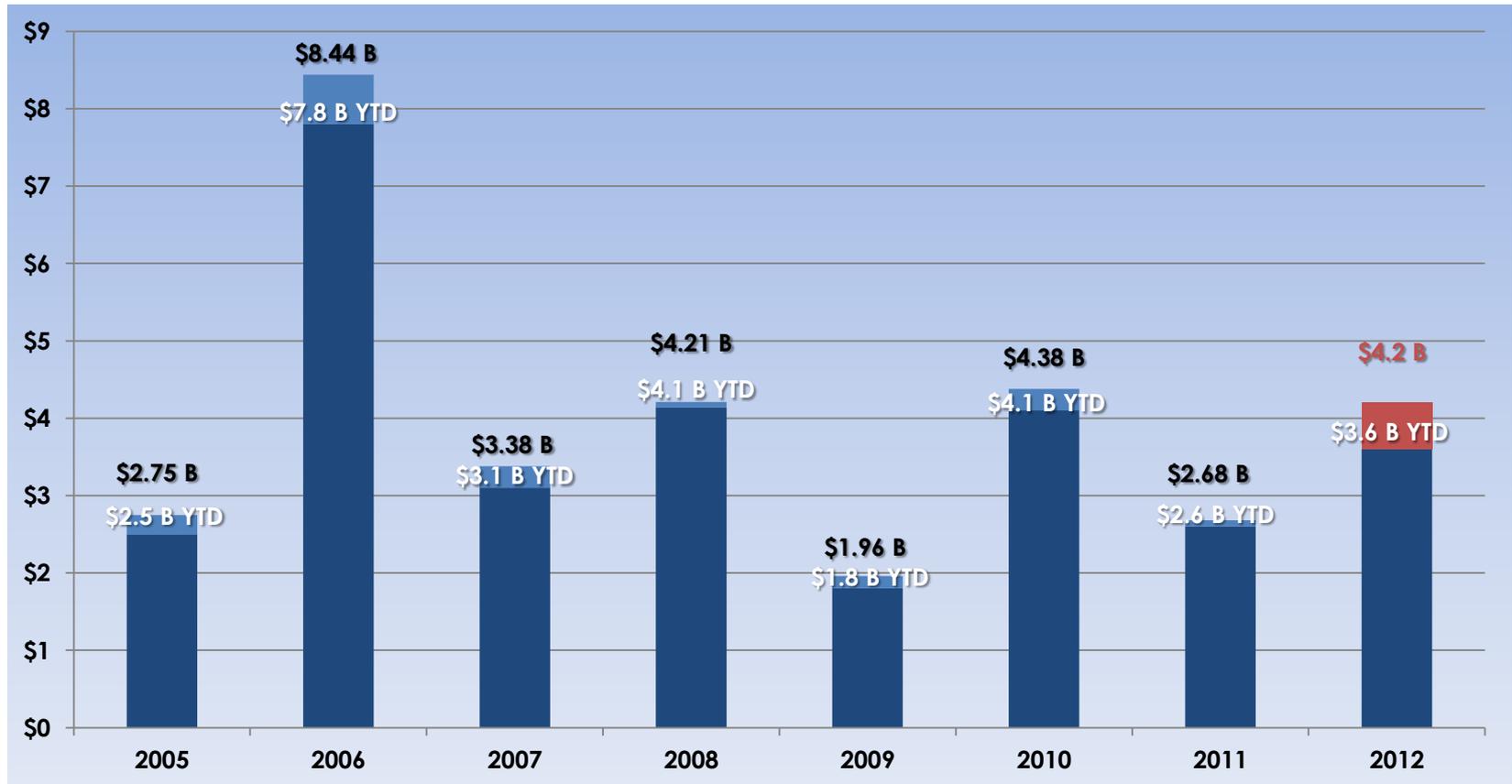
■ Goal  
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# HOOSIER AVERAGE WAGE



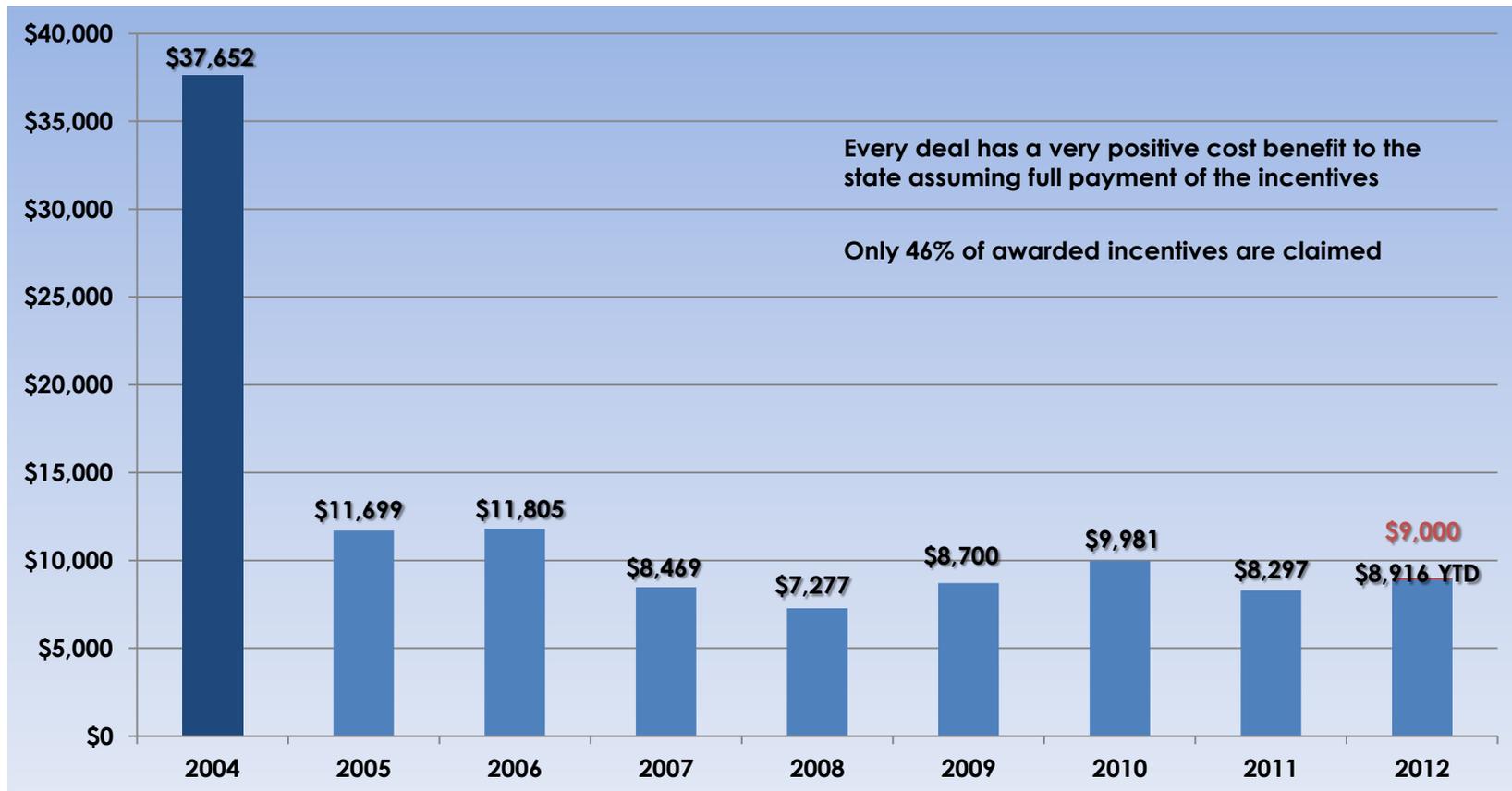
# PRIVATE SECTOR INVESTMENT PROJECTIONS



■ Goal  
■ YTD as of 11.27.12

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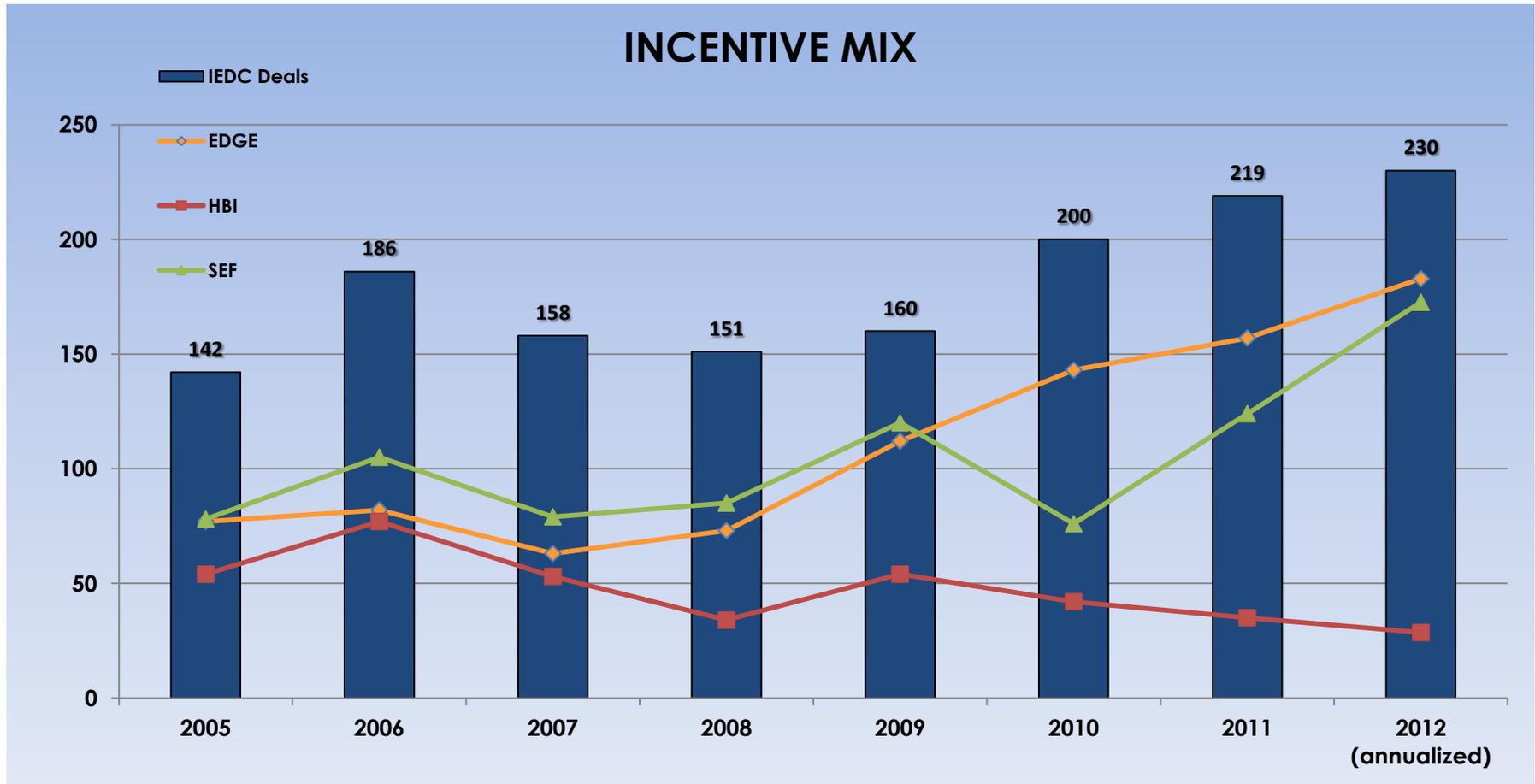
# CONDITIONAL INCENTIVES PER JOB



# INCENTIVE MIX... ALL PERFORMANCE BASED

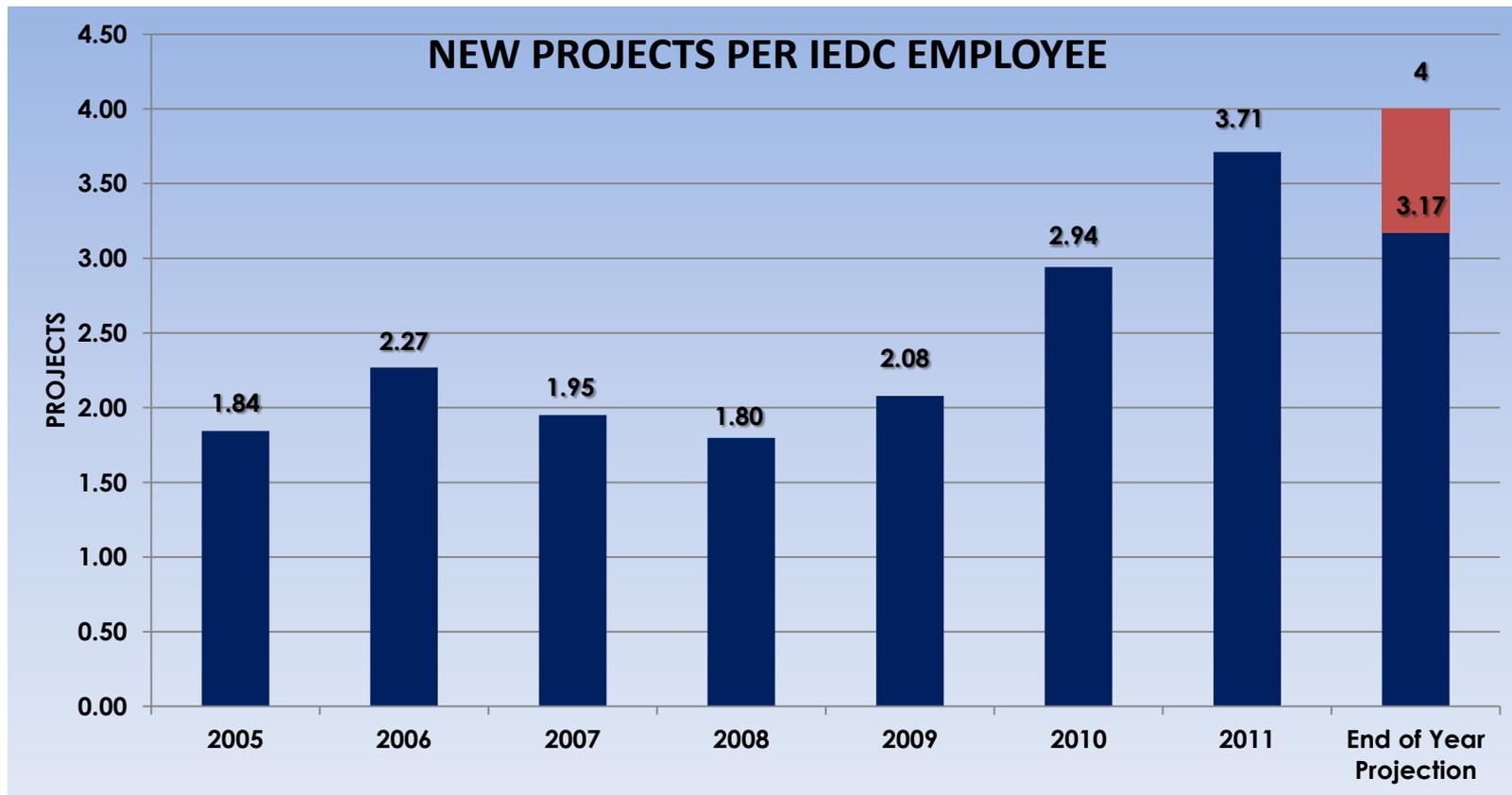
Refundability has been highly desirable

Workforce training assistance always appreciated



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# IEDC PRODUCTIVITY



# INDIANA'S INTERNATIONAL STRATEGY

74 INTERNATIONAL PROJECTS ON THE PIPELINE (50% INCREASE SINCE 2010)  
OF WHICH 30 HAVE ALREADY BEEN ACCEPTED THIS YEAR

## PRIOR IEDC INTERNATIONAL OFFICES

- ▶ **Pre-2005:** Export focus; IEDC-era formed partnership with U.S. Dept. of Commerce to support Indiana exports.
- ▶ **2005-Present:** Focus on attracting foreign direct investment (FDI).
- ▶ **2012:** Rebalanced IEDC's financial and structural resources **to match market opportunities in China, Europe, and Japan.**

## 2012 IEDC INTERNATIONAL OFFICES

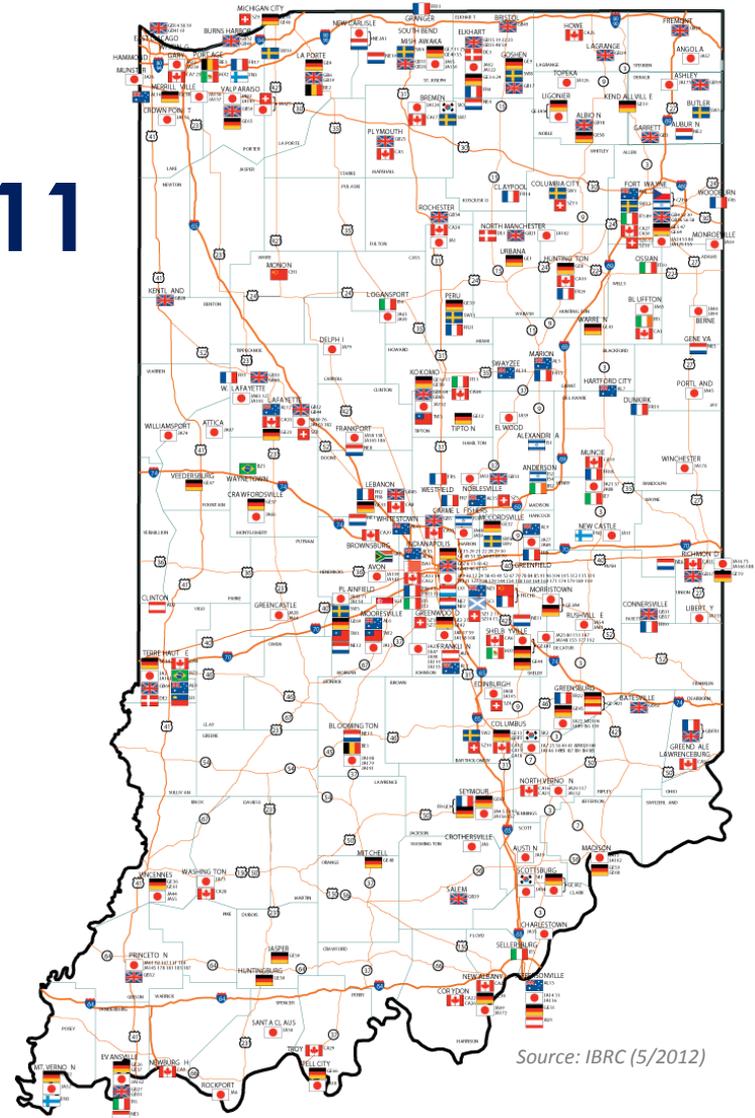
- ▶ **Australia**
  - No renewal of contract
- ▶ **China**
  - Shift from contractor to dedicated China office
- ▶ **Europe**
  - New representative in **Germany** with increased resources
- ▶ **Japan**
  - Increased resources
- ▶ **Taiwan**
  - Smaller presence in Taipei

# INTERNATIONAL INVESTMENTS 2009-2011

**\$5.1 Billion**  
IN INTERNATIONAL INVESTMENT

**&**

**11,800**  
NEW JOBS FROM  
INTERNATIONAL INVESTORS



Source: IBRC (5/2012)

# COMPLIANCE

(IN MILLIONS)

## Competitive Incentives

Total Claw Backs Pursued	\$27.0
Collected (recovered incentives)	\$19.0
In collection proceedings	\$4.8
Write-offs	\$3.2
Receivables	\$0.0

## Grants

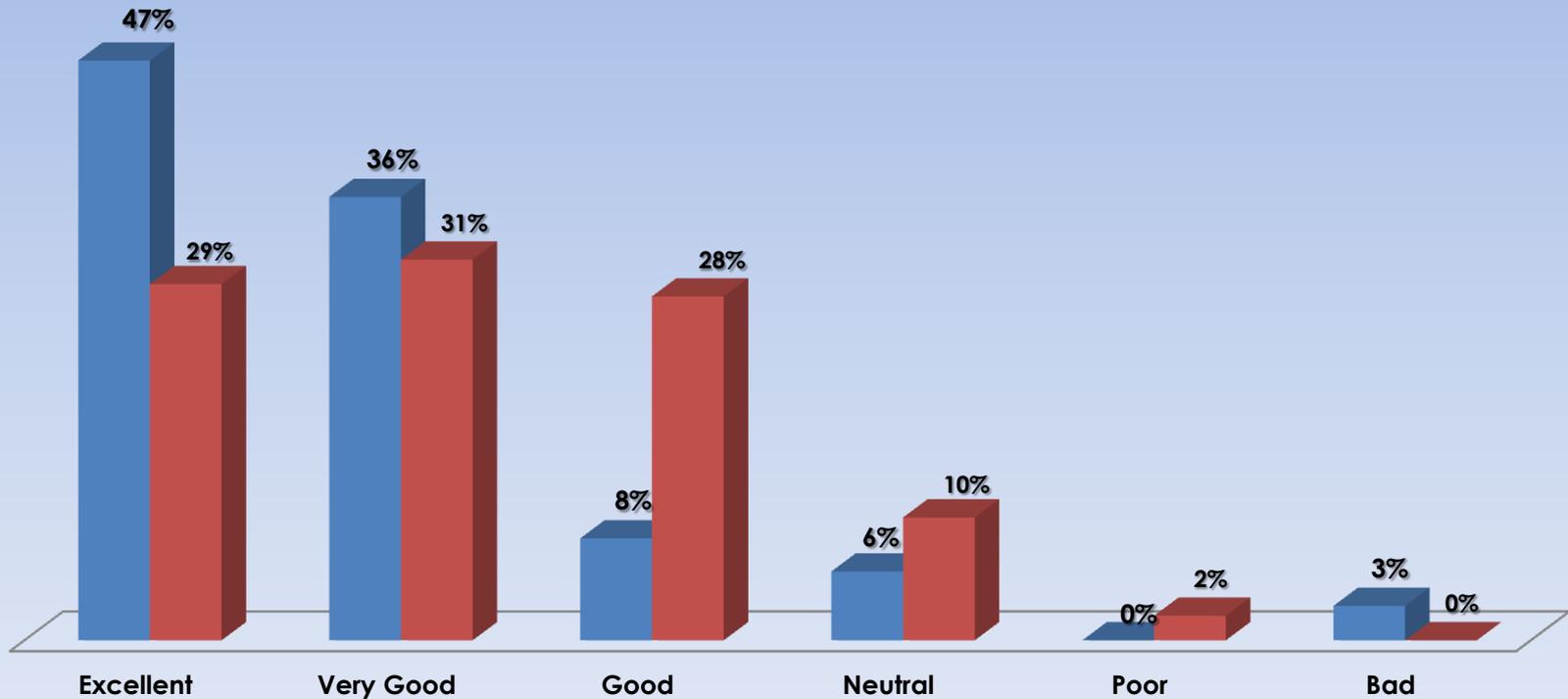
Collected (recovered 21 Fund grants)	\$4.5
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(projects originating 1994 to present)

## EVALUATION OF IEDC- IMPROVING ON ALREADY HIGH RATINGS

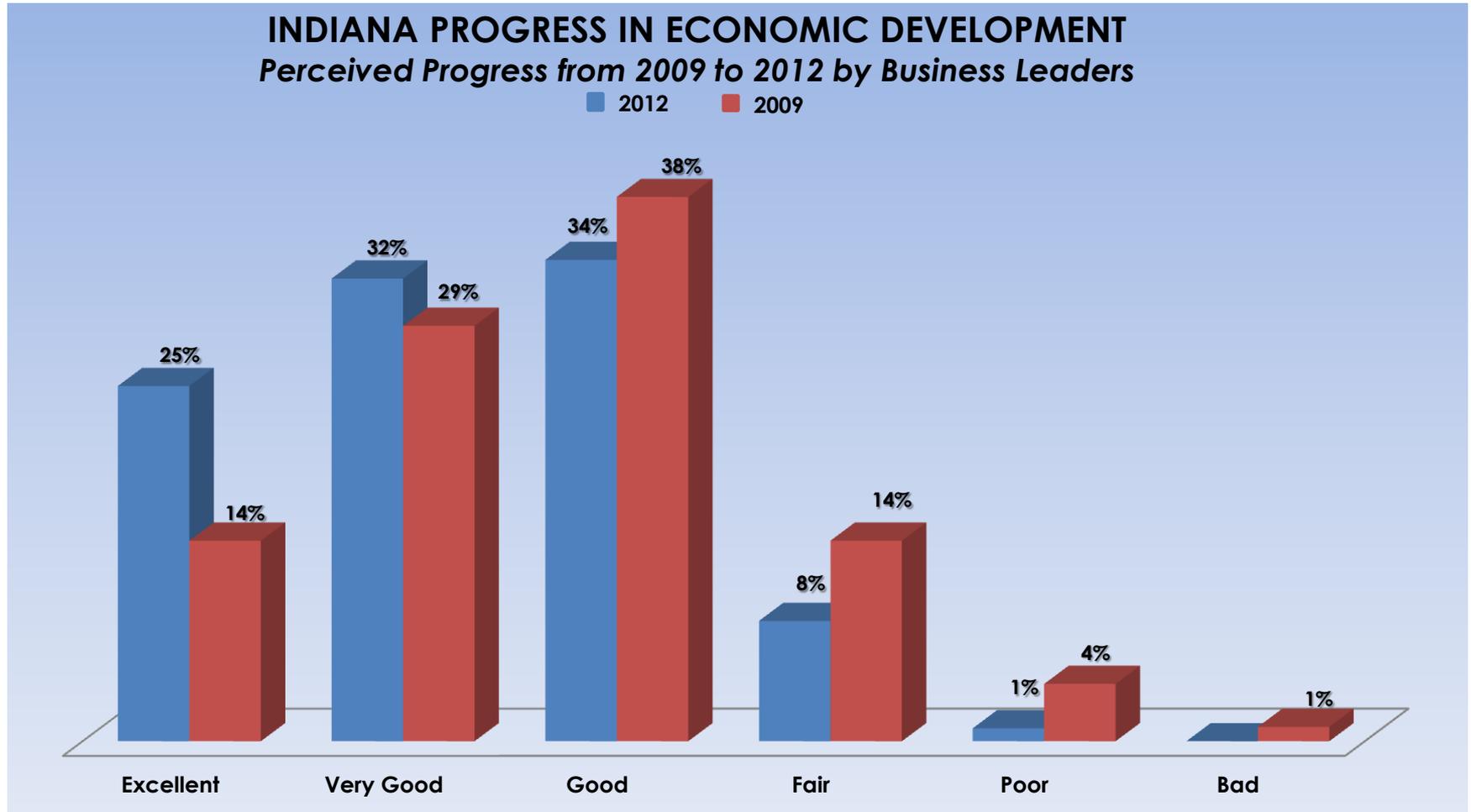
### EVALUATION OF IEDC BY BUSINESS LEADERS

■ 2012 ■ 2009



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## INDIANA PERCEIVED PROGRESS IN ECONOMIC DEVELOPMENT



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# ...STAYING IN THE LEAD REQUIRES IMPROVEMENT

- **Workforce Skills/Health**
- **Entrepreneurism, Start Ups, Angel/Venture Capital**
- **Brand Awareness/Voice**

# 2012 MANUFACTURING AND LOGISTICS REPORT CARD

Indiana ranks 1<sup>st</sup> among states in per capita manufacturing employment and 9<sup>th</sup> in logistics employment.

U.S. STATE	MANUFACTURING INDUSTRY HEALTH	LOGISTICS INDUSTRY HEALTH	HUMAN CAPITAL**	TAX CLIMATE	GLOBAL REACH	PRODUCTIVITY and INNOVATION
ILLINOIS	C	A	C	F	B	B
<b>INDIANA</b>	<b>A</b>	<b>A</b>	<b>C-</b>	<b>A</b>	<b>A</b>	<b>B+</b>
KENTUCKY	B	B	D-	C	B+	D
MICHIGAN	A	C+	D	C-	B+	A
OHIO	A	A	C	C	A	C
WISCONSIN	B+	B-	B+	D+	C	C

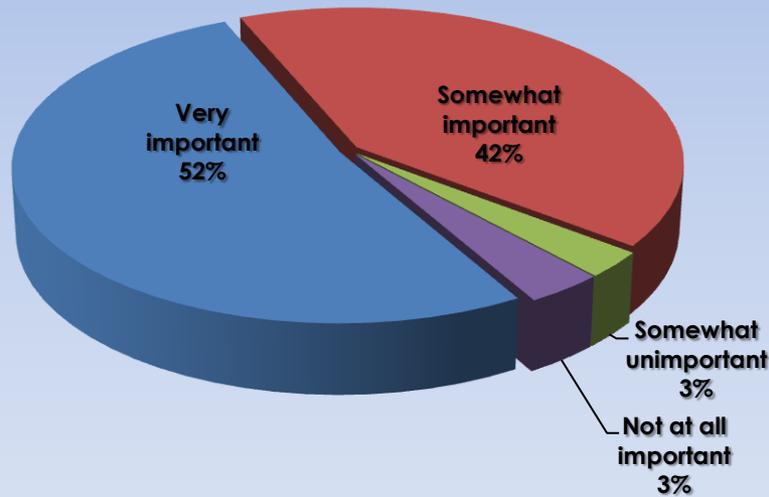


**\*\*Human Capital Definition– A measure of education and skill level, and (in some settings) health of residents and workers within a region**

*2012 Manufacturing and Logistics Annual Report*

## IMPORTANCE OF EDUCATED WORKFORCE

### Importance of a Well-Educated Workforce

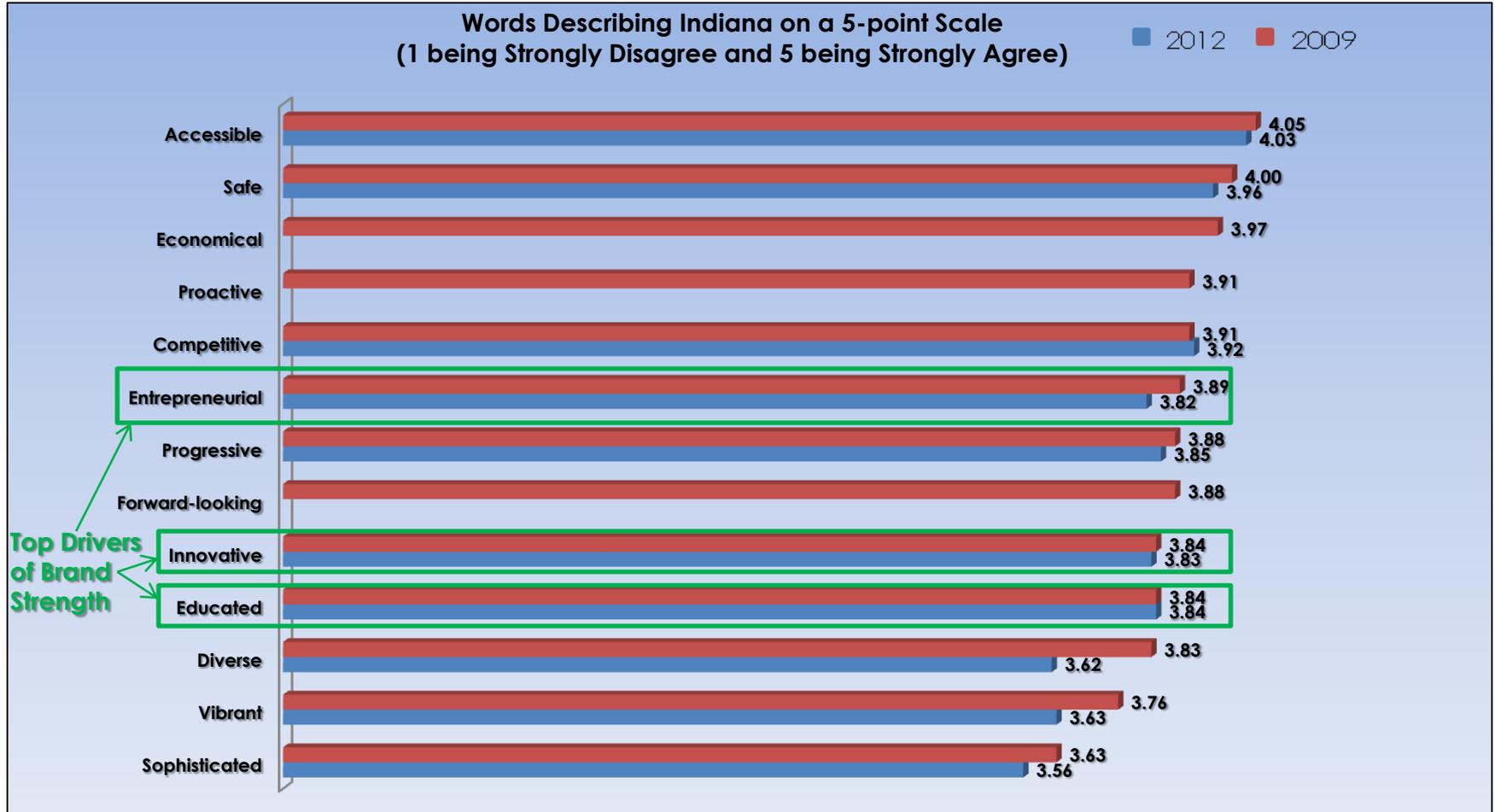


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### WHY?

- Provides a solid stable workforce
- Supports high tech
- Workforce is easier to train
- Access to highly skilled labor force is business critical; life sciences/Biotech require higher education
- Education is a precursor to corporate success
- Supports growth and diversity
- Good workforce is a must in a competitive market
- Necessary to keep pace with rapidly changing economy
- Automation and technology requires a more educated workforce

# INDIANA IS LAGGING ON LEADING ATTRIBUTES OF ENTREPRENEURISM, INNOVATION, AND EDUCATION



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# 21<sup>st</sup> CENTURY FUND

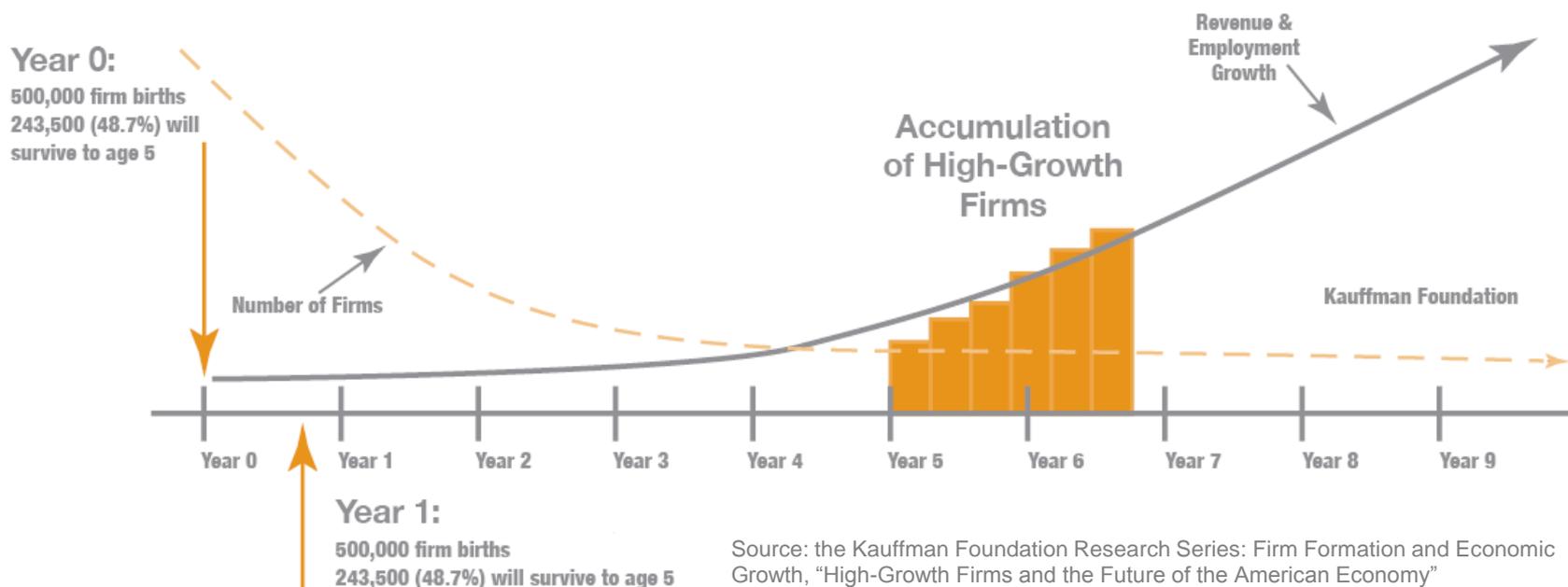
The Objective

**... Not to be the Venture Capital Market**

**... But to Stimulate the Indiana Venture Capital Market**

- Nearer Term Employment
- Reasonable Returns

# SUSTAINABLE AND HIGH-PAYING JOBS RESIDE IN SUCCESSFUL HIGH-GROWTH COMPANIES.



21 Fund  
1999-2005  
\$35 million/yr

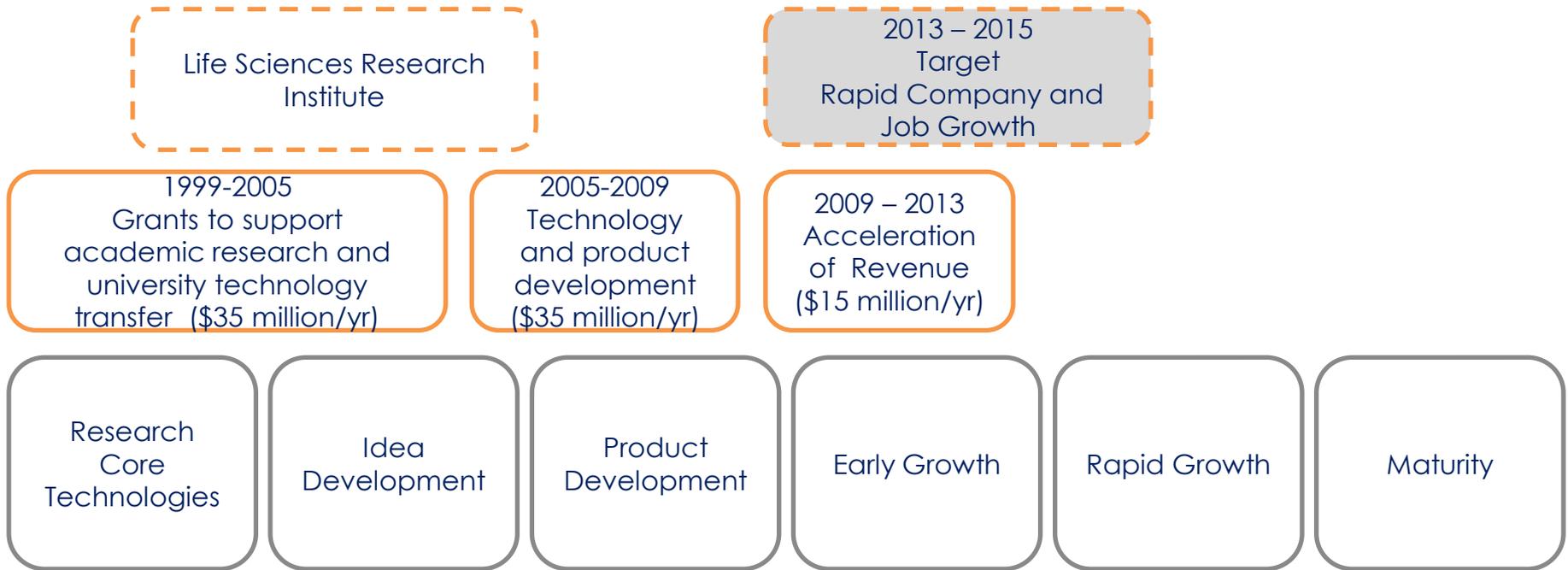
21 Fund  
2005-2009  
\$35 million/yr

21 Fund  
2009-2011  
\$15 million/yr

21 Fund  
2011-2015  
\$15 million/yr

# 21 FUND

## THREE EVOLUTIONS ALONG THE COMPANY DEVELOPMENT TRAJECTORY, CLOSER TO JOB CREATION



Notable Successes:



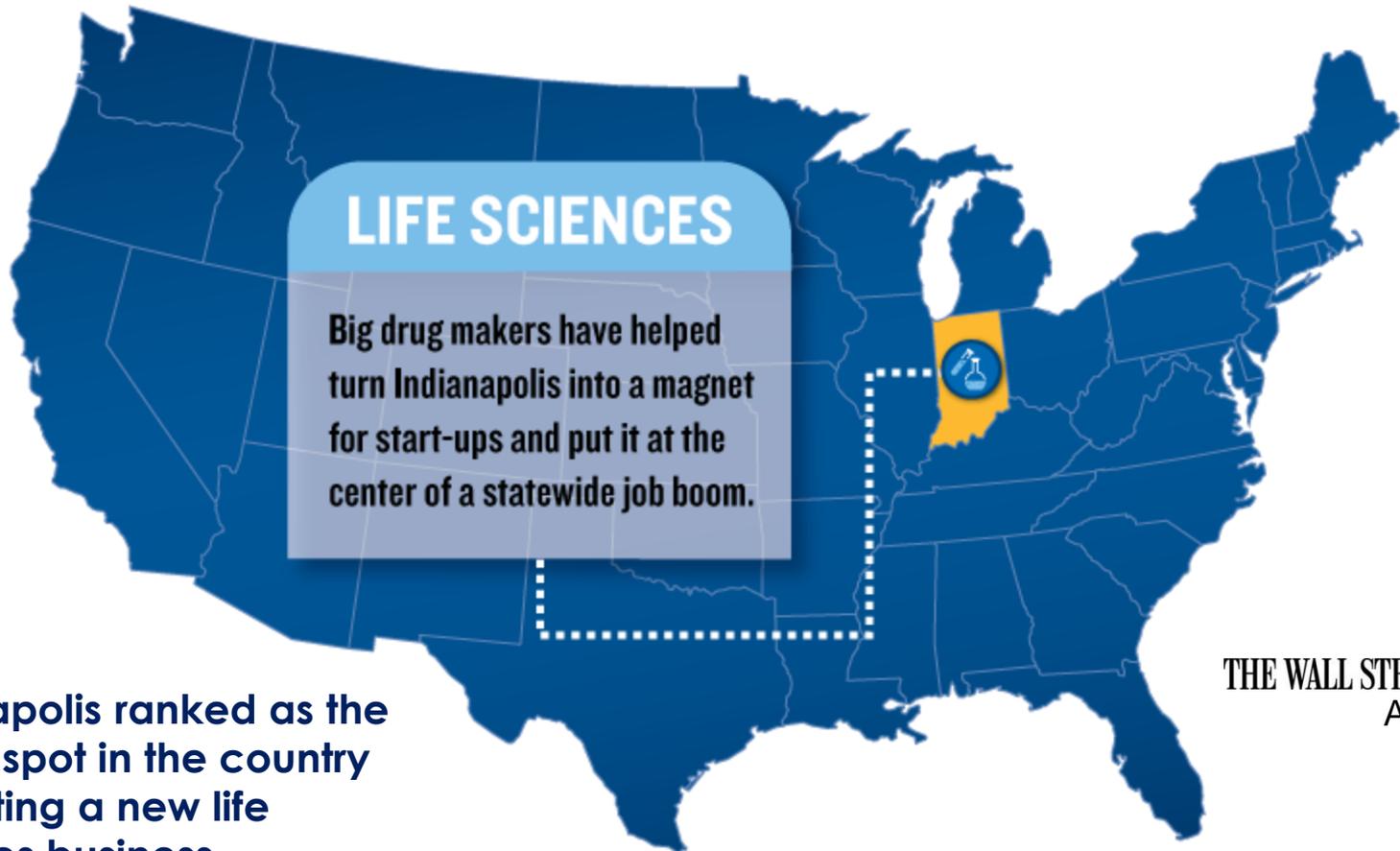
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# 21<sup>ST</sup> CENTURY FUND CAN FUNCTION AT CURRENT LEVELS W/ NO FURTHER FUNDING

## WHY?

- \$34 Million Federal Grant
- Smaller Awards
- Focus on Matching 1-4 (in state, out)
- Convertible Note Structure Yields Returns
- Clawbacks
- Regional Matching Programs

# WHERE THE ACTION IS-LIFE SCIENCES BUSINESS BOOM IN INDIANAPOLIS



Indianapolis ranked as the hottest spot in the country for starting a new life sciences business.

THE WALL STREET JOURNAL.  
August 2011

# 21 FUND 2013-2015 ASK



# AND FINALLY... BRAG & SWAG

Rust Belt

Corn Belt

Bible Belt

Flyover State

## ...MAINTAINING COMPETITIVE ADVANTAGE

- **Workforce Skills/Health**
  - SEF Training \$
- **Entrepreneurism, Start ups, Angel/Venture Capital**
  - 21 Fund Life Sciences Fund Creation
- **Brand Awareness/Voice**
  - \$ to Tell the Story